

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

a. 5 D11
R23

C3

TSPIRS

Timber Sale Program Information Reporting System

**Chugach
National Forest
1990**

United States
Department of
Agriculture

PREPARED BY
Forest
Service

Alaska Region
Leaflet
R10-MB-124



INTRODUCTION

The Forest Timber Sale Program Information Reporting System (TSPIRS) presents three viewpoints of the forests timber program for 1990. Each viewpoint presents a different approach to measure the timber program; each stands on its own and is not cumulative. Forest plans provide the management direction for all Forest Service resource activities. TSPIRS is one monitoring tool for us to find out how well we are managing according to the plans. This report will be produced and available to the public on an annual basis.

BACKGROUND: Based on the public concern over the benefits and costs of timber sales, Congress directed the Forest Service to develop a system that would show all timber related benefits and costs. TSPIRS is an effort to improve the way information is developed and displayed to help public understanding of timber management. This reporting system was developed jointly with the General Accounting Office (GAO) and the Forest Service. It has been reviewed and approved by Congress.

PURPOSE: The purpose of the report is to display fiscal year 1990 financial benefits and cost information for the Chugach timber management program.

FORMAT: The reporting system consists of three reports which display costs and benefits of the Forests' timber management program.

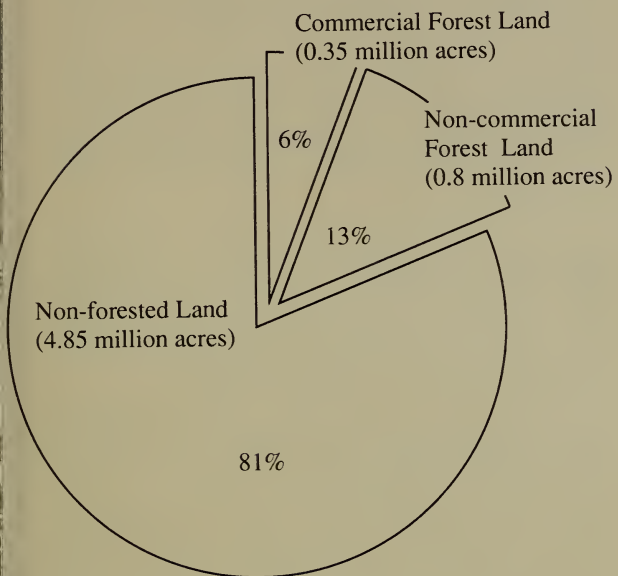
Descriptions of the three reports are listed below:

Report 1: Financial Report (revenues compared with costs) is similar to a private business profit and loss statement.

Report 2: Economic Report—long term benefits, effects, and costs expected from the acres harvested in 1990. This report is tied to Forest Plan data.

Report 3: Employment, Income and Program Report—current effects to local employment and income from harvest activities.

The following chart displays acres as commercial forest lands versus the total land base for the Chugach National Forest.



Summary - Chugach National Forest: Timber harvesting on the Chugach has been limited to small salvage sales. A wide-spread bark beetle infestation on the Kenai Peninsula has killed large tracts of coniferous forest. The dead trees in and around communities, recreation sites and along travelways are increasing the fire hazard to residents and visitors. An increase in salvage sale volumes is expected over the next few years which should contribute to lowering the fire hazard.

REPORT 1 - FINANCIAL REPORT

Report 1 is an accounting report of the Chugach National Forest's timber management program for fiscal year 1990. This report displays revenues and costs developed by GAO and Forest Service cost centers.

I. REVENUES

Timber Sales	\$10,007
Purchaser Road Credit	3,197
Associated Charges	663
Interest and Penalties	1,390
Total Revenues	\$15,257

II. EXPENSES

Sale Administration	\$55,115
Sale Activity Allowance	140,107
Growth Activity Allowance	1,001
Facilities Depreciation	0
General Administration	129,717
Total Operating Expenses	\$325,939

Gain/ < Loss > Before Payments to State	< \$-310,682 >
--	----------------

III. PAYMENT TO STATE ^{1/}	\$2,606
-------------------------------------	---------

Net Gain/ < Loss > From Timber Sales	< \$313,288 >
---	---------------

IV. VOLUME HARVESTED (In board feet)	923,000
---	---------

1/ See Glossary of Terms

REPORT 2 - ECONOMIC REPORT

Report 2 provides the present net value of future benefits and costs on the acres harvested in 1990. This report gives a perspective for the future flow of timber and associated non-timber resource costs and benefits.

The Report 2 analysis is consistent with the analysis and decisions of the Forest Plan. Costs and prices have been updated as appropriate.

The values of benefits and costs in Report 2 have been discounted to the present to account for the time preference. The standard Forest Service discount rate of 4% was used.

For discounting timber outputs, the time span extends from the year following the reporting period through the harvest of all future regenerated stands. In addition to timber outputs, Report 2 includes estimates of the presented net value for non-timber outputs. The kinds and quantities of outputs associated with timber harvest is specified in the Forest Plan.

I. PRESENT VALUE BENEFITS

Timber	\$16,490
Recreation	94,838
Wildlife	456,453
Fisheries	0
Total Present Benefits	\$567,781

III. INVESTMENT VALUE

Timber	\$440,357
Roads	0
Recreation	10,405
Wildlife	2003
Fisheries	0
Total Investments	\$452,765

IV. PRESENT NET VALUE

\$115,016

REPORT 3 - EMPLOYMENT & INCOME REPORT AND RELATED PROGRAM ACCOMPLISHMENTS

Report 3 displays the effects the 1990 harvest had upon local employment and income.

I. EMPLOYMENT

Total Jobs	13
------------	----

II. LOCAL FISCAL EFFECTS

Total Personal Income	\$433,000
Cumulative Value to Local Communities	\$1,800,000
25% Fund Payment to State	\$2,606
Fed. Inc. Tax Generated	\$82,000

III. TIMBER PROGRAM ACCOMPLISHMENTS

Volume (in board feet):	
Offered	4,000,000
Sold	4,000,000
Harvested-net sawlog vol.	0
-fuelwood/other	1,000,000
Total Harvest	1,000,000
Regeneration Treatment (acres)	204
Timber Stand Improvement (acres)	104
Total Area Harvested (acres)	237

IV. MILES OF ROADS TO SUPPORT TIMBER PROGRAM

Appropriated	5
Purchaser Credit	0
Total	5

1/ See Glossary of Terms

Glossary of Terms

Associated Charges. Deposits collected from timber purchases that will be used by the Forest Service to dispose of logging slash, transferred to an escrow account at the Bureau of Indian Affairs for an Alaska Native Corporation pending transfer of title of the land from which harvest occurred, or transferred to the U.S. Treasury representing the increased value of harvested timber that has been partially processed.

Cost Pools. This cost accounting system uses two cost pools to accumulate certain costs. The cost pools are ways to capture different types of multi-year costs and allow them to be matched against revenues. The two cost pools are;

The Sale Activity Allowance is composed of the following activities: Timber Planning, Silviculture Examinations, Sale Preparation, Other Resource Support, Timber Salvage Sale Fund, Brush Disposal, KV Reforestation, Co-op Road Maintenance, and Transportation Planning. Current actual costs for these activities are added to the pool each year and then depleted from the pool and allocated to the current fiscal year according to the formula: $\text{Sale Activity Pool Allowance} = (\text{Volume Harvest} \times \text{Current Year Pool Balance}) / (\text{Volume Under Contract} + \text{Volume Harvested})$.

The Growth Activity Allowance is composed of the following activities: Appropriated Reforestation, Appropriated Stand Improvement, Nursery Management, Genetic Tree Improvement, KV Stand Improvement, Timber Road Design and Construction, and Purchaser Credits Established. Current actual costs from these activities are added to the pool each year and then depleted from the pool and allocated to the current fiscal year according to the formula: $\text{Growth Activity Pool Allowance} = (\text{Volume Harvested} \times \text{Current Year Pool Balance}) / (\text{Total Volume Over Average Rotation Period})$.

Purchaser Road Credit. Credit earned by the timber purchaser that is applied to stumpage charges above base rates and is considered revenue. Purchaser road credit is determined by a Forest Service engineer's estimate. This amount is reflected in the timber sale contract.

Payments to States. A fund consisting of approximately 25 percent of the gross annual timber receipts received by the National Forests in that state. This is returned to the State for use on roads and schools.

Regeneration Treatment. Treatments and activities that relate to the reestablishment of stands of trees. Includes planting, seeding, and preparing the ground for seed-in from adjacent stands where ground preparation wasn't necessary.

Net Sawlog Volume. Trees suitable in size and quality for processing into lumber.

This Summary is based upon technical documents on file at the Forest Supervisor's Offices. For more information contact:

Chugach National Forest
201 E. 9th Avenue
Anchorage, Alaska 99501